

**Public and Tribal Notice**  
**Iowa Department of Human Services, Iowa Medicaid Enterprise**

**Iowa State-Owned Acute Care Teaching Hospital Graduate Medical Education  
Supplemental Payments**

Posted March 1, 2018

The Iowa Department of Human Services (DHS), pursuant to the requirements outlined in 42 C.F.R. §447.205 and §1902(a)(13)(A) of the Social Security Act, hereby gives notice of the following proposed action regarding its methods and standards for Iowa state-owned acute care teaching hospital graduate medical education (GME) payments under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

This notice is to provide information of public interest with respect to direct and indirect GME payments that are proposed to be made to Iowa state-owned acute care teaching hospitals, in support of the role these hospitals play in training medical professionals in the state of Iowa. The Iowa Medicaid Enterprise (IME) intends to submit State Plan Amendment (SPA #18-005) during the second calendar quarter of 2018 to authorize new supplemental GME payments to qualifying Iowa state-owned hospitals.

Consistent with the recognition in federal law that a state Medicaid agency may make “direct payments to network providers for GME costs approved under the State plan,” (42 C.F.R. §438.60), these payments to qualifying hospitals, effective April 1, 2018.

To qualify for these GME supplemental payments, the hospital must meet the following criteria:

1. Iowa state-owned acute care teaching hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American College of Graduate Medical Education (ACGME); AND
2. Eligible to receive GME payments from the Medicare program (Title XVIII of the Social Security Act) under 42 C.F.R. §413.75.

Supplemental GME payments to qualifying hospitals will consist of the following:

1. Payments made in recognition of the IA Health Link managed care share of direct graduate medical education (DGME) costs, including salaries, benefits, physician oversight, and allocated overhead costs incurred for interns and residents at a cost per resident amount.
2. Payments made in recognition of the IA Health Link managed care share of indirect graduate medical education (IGME) costs incurred for teaching activities will be determined by measuring by applying the Medicare algorithm for the ratio of uncapped interns and residents to available beds, multiplied by IA Health Link managed care inpatient hospital payments.

**Estimated Fiscal Impact:** The IME estimates the sum of the Iowa state-owned acute care teaching hospital GME supplemental payments to provide for approximately \$45 million in combined total computable payments annually, with the qualifying hospitals providing the non-federal share of such payments through intergovernmental transfer (IGT). If approved, these payments will be made in a lump-sum basis throughout the state fiscal year (SFY) and would not be paid as individual increases to current reimbursement rates for specific services.

The proposed GME supplemental payments to qualifying hospitals are subject to approval by the Centers for Medicare and Medicaid Services (CMS).

**Public Review and Comments:** Prior to submission to CMS, a draft copy of proposed SPA #18-005 is available for public review at the IME and each local DHS office. .

Any written comments may be sent to Jennifer Steenblock, Federal Compliance Officer, Iowa Medicaid Enterprise, 100 Army Post Road, Des Moines, IA 50315 or may be emailed to [jsteenb@dhs.state.ia.us](mailto:jsteenb@dhs.state.ia.us). Please indicate SPA #18-005 in the subject line of the email. Written and e-mailed comments must be received within 30 days from the publication date of this notice